

**MALACAÑANG**  
Manila

**PRESIDENTIAL DECREE No. 858 December 31, 1975**

**AMENDING FURTHER ACT NUMBERED TWO THOUSAND SIX HUNDRED FIFTY-FIVE, AS AMENDED,  
OTHERWISE KNOWN AS THE "USURY LAW"**

WHEREAS, there are transactions, which, although involving lending of funds, offer returns on investment higher than the maximum ceilings prescribed in the Usury Law;

WHEREAS, the higher return of investment in the money market, among other factors, has drawn money supply away from desirable areas of investment to the detriment of national interest;

WHEREAS, the interest rate, together with other monetary and credit policy instruments, plays a vital role in directing domestic savings and capital resources to economic activities where they are needed most;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby declare and order the amendment of Act No. 2655, as amended, as follows:

**Section 1.** Section 1-a of Act No. 2655, as amended, is hereby amended to read as follows:

"Sec. 1-a. The Monetary Board is hereby authorized to prescribe the maximum rate or rates of interest for the loan or renewal thereof or the forbearance of any money, goods or credits, and to change such rate of rates whenever warranted by prevailing economic and social conditions.

"In the exercise of the authority herein granted, the Monetary Board may prescribe higher maximum rates for loans of low priority, such as consumer loans or renewals thereof as well as such loans made by pawnshops, finance companies and other similar credit institutions although the rates prescribed for these institutions need not necessarily be uniform. The Monetary Board is also authorized to prescribe different maximum rate or rates for different types of borrowings, including deposits and deposit substitutes, or loans of financial intermediaries."

**Section 2.** The same Act is hereby amended by adding the following section immediately after Section 4 thereof, which reads as follows:

"Sec. 4-a. The Monetary Board may eliminate, exempt from, or suspend the effectivity of, interest rate ceilings on certain types of loans or renewals thereof or forbearances of money, goods, or credit, whenever warranted by prevailing economic and social conditions."

**Section 3.** Section 4-a of the same Act is hereby renumbered as Sec. 4-b.

**Section 4.** All Acts and parts of Acts inconsistent with the provisions of this Decree are hereby repealed.

**Section 5.** This Decree shall take effect immediately.

Done in the City of Manila, this 31st day of December, in the year of Our Lord, nineteen hundred and seventy-five.